

AUDITING PROCEDURES REPORT

Issued under P.A. 2 of 1968, as amended. Filing is mandatory.

Local Government Type: <input type="checkbox"/> City <input type="checkbox"/> Township <input type="checkbox"/> Village <input checked="" type="checkbox"/> Other		Local Government Name: <u>District Court No. 18 of Westland, Michigan</u>	County Wayne
Audit Date June 30, 2004	Opinion Date September 15, 2004	Date Accountant Report Submitted To State: November 23, 2004	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:


1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations.

You must check the applicable box for each item below:

- | | |
|---|---|
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements. |
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980). |
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended). |
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act. |
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91] or P.A. 55 of 1982, as amended [MCL 38.1132]) |
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit. |
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year). |
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241). |
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95). |

We have enclosed the following:	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Reports on individual federal assistance programs (program audits).	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Single Audit Reports (ASLGU).	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Certified Public Accountant (Firm Name): PLANTE & MORAN, PLLC			
Street Address 350 South Main, Suite 200	City Ann Arbor	State MI	ZIP 48104
Accountant Signature 			

**District Court Funds
of District No. 18
Westland, Michigan**

**Financial Report
with Supplemental Information
June 30, 2004**

District Court Funds of District No. 18 Westland, Michigan

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Independent Auditor's Report

To the District Judges Gail McKnight
and C. Charles Bokos
District Court No. 18
Westland, Michigan

We have audited the accompanying balance sheet of the District Court Funds of District No. 18 (a component unit of the City of Westland, Michigan) as of June 30, 2004, as listed in the table of contents. This financial statement is the responsibility of the District Court's management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position of the District Court Funds of District No. 18, Westland, Michigan at June 30, 2004, in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the basic financial statement. The accompanying supplemental information, as identified in the table of contents, is presented for the purpose of additional analysis, and is not a required part of the basic financial statement. The supplemental information has been subjected to the auditing procedures applied in the audit of the basic financial statement and, in our opinion, is fairly stated in all material respects in relation to the basic financial statement taken as a whole.

The accompanying financial statement does not present a management's discussion and analysis, which would be an analysis of the financial performance for the year. The Governmental Accounting Standards Board has determined that this analysis is necessary to supplement, although not required to be a part of, the basic financial statement.

Plante & Moran, PLLC

September 15, 2004

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District Court Funds of District No. 18 Westland, Michigan

Balance Sheet
June 30, 2004

	Court Account	General Account	Constable Account	Total
Assets - Cash (Note 2)	<u>\$ 364,861</u>	<u>\$ 336,508</u>	<u>\$ 9,118</u>	<u>\$ 710,487</u>
Liabilities				
Due to City of Westland	\$ 274,059	\$ -	\$ -	\$ 274,059
Due to State of Michigan	88,612	-	-	88,612
Refundable bonds and other	<u>2,190</u>	<u>336,508</u>	<u>9,118</u>	<u>347,816</u>
Total liabilities	<u>\$ 364,861</u>	<u>\$ 336,508</u>	<u>\$ 9,118</u>	<u>\$ 710,487</u>

District Court Funds of District No. 18 Westland, Michigan

**Notes to Balance Sheet
June 30, 2004**

Note 1 - Significant Accounting Policies

District Court No. 18 of Westland, Michigan (the "District Court") is a component unit of the City of Westland and is reported in the City's basic financial statements. The accounting policies of the District Court conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The funds of the District Court are Agency Funds. The financial activities are limited to collection of amounts that are subsequently returned or paid to third parties. The funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations.

Note 2 - Cash

The District Court's cash at June 30, 2004 is composed of deposits that were reflected in the balance sheet at \$710,487 and in the accounts of the bank (without recognition of checks written but not yet cleared or of deposits in transit) at \$667,259. Of that amount, \$100,000 was covered by federal depository insurance and \$567,259 was uninsured and uncollateralized. The District Court believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all bank deposits. As a result, the District Court evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

Supplemental Information

District Court Funds of District No. 18

Westland, Michigan

Schedules of Cash Receipts and Disbursements Year Ended June 30, 2004

	Court Account	General Account	Constable Account	Total
Cash - July 1, 2003	\$ 377,917	\$ 419,014	\$ 6,925	\$ 803,856
Receipts				
Fines and fees collected	4,162,513	-	-	4,162,513
Bond receipts	-	1,128,827	-	1,128,827
Bond forfeitures	215,550	-	-	215,550
Restitutions	-	62,462	-	62,462
Garnishments, escrows, and other	-	127,333	-	127,333
Receipts for other District Court accounts	120,465	-	-	120,465
Transfers from other District Court accounts	-	-	117,178	117,178
Total receipts	4,498,528	1,318,622	117,178	5,934,328
Disbursements				
Transfers to District Control Unit	3,548,219	-	-	3,548,219
State of Michigan	788,722	-	-	788,722
Wayne County, Michigan	50,745	-	-	50,745
Bond refunds, forfeitures, and transfers	-	1,218,271	114,985	1,333,256
Restitutions	-	62,780	-	62,780
Garnishments, escrows, and other	6,720	120,077	-	126,797
Transfers to other District Court accounts	117,178	-	-	117,178
Total disbursements	4,511,584	1,401,128	114,985	6,027,697
Cash - June 30, 2004	\$ 364,861	\$ 336,508	\$ 9,118	\$ 710,487